



Independent Communications Authority of South Africa
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MEDIA RELEASE

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Statement to clarify ICASA's decision regarding the Vodacom/Vodafone transaction

JOHANNESBURG -The Independent Communications Authority of South Africa (the Authority) hereby wishes to clarify the decision taken by the Authority on May 15 2009 to rescind its earlier decision on the Vodacom-Vodafone transaction.

On 5 February 2009, Vodacom (Proprietary) Limited ("Vodacom") notified the Authority of a transaction involving the transfer of the shares held by Telkom SA Limited ("Telkom") in Vodacom Group (Proprietary) Limited ("Vodacom Group"), which is the holding company of Vodacom. After careful consideration of the matter in terms of the Regulations in Respect of the Limitation of Ownership and Control of 2003 and on the basis of two external legal opinions, the Council of ICASA came to the conclusion that the transaction did not require its approval and published a notice on its website to this effect on the 16th of April 2009.

On 6 of May 2009 the Authority received notification of a review to be filed in the High Court by COSATU challenging the decision of the Authority published on 16 April 2009. The review sought by COSATU was set to be heard in August 2009.

The Authority, concerned that the transaction was taking place in a contentious atmosphere and having had sight of COSATU's filing, sought a declaratory order. The order was sought ahead of the Vodacom listing so that a court could reach a decision on the correctness of the decision taken by the Authority on 16 April 2009. The Authority, in a

letter dated 14 April 2009, then asked Vodacom whether in the light of COSATU's challenge, Vodacom intended proceeding with the intended listing and on its views on the implication of the listing on the court process. Vodacom responded saying that it would not delay the listing, at which point the Authority decided to rescind its decision of April 16 2009 and to request that the matter be brought before a court on an urgent basis.

It should be noted that the Authority's primary function is to regulate the electronic communications sector in the public interest. It is for this reason that the Authority deemed it fit, in the interest of transparency, that a public process be followed to allow all interested parties to be heard on the transaction before a decision was taken on the matter. At no point did the Authority seek to deny Vodacom the right to list on the Johannesburg Stock Exchange.

The Authority accepts the judgment as handed down by the Gauteng North High Court and in light of that will not continue with the public hearings as envisaged and stated in the 15 May 2009 statement.

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